

Meeting Summary
Maine Citizen Trade Policy Commission
September 24, 2015
Room 208, State House
Augusta, Maine

Members Present: Senator Amy Volk, Senator John Patrick, Representative Craig Hickman, Randy Levesque, Sharon A. Treat, Christy Daggett, John Palmer, Pam Megathlin, Linda Pistner, Jim Detert

Staff: Lock Kiermaier (Contract)

CTPC Chair Senator Amy Volk convened the meeting at approximately 1 PM.

To begin the meeting, Senator Volk asked Commission members to introduce themselves.

After the introductions had been made, CTPC staff Lock Kiermaier stated that because the statutorily required minimum quorum of 11 members had not been met, that a formal meeting could not take place and that no formal vote could take place. However, Mr. Kiermaier also pointed out that the CTPC statutes are silent regarding a required quorum of members that need to be present for public hearing to take place and there seemed to be no reason why the scheduled public hearing could not commence.

Public Hearing

To begin the public hearing, Senator Volk invited any members of the public who were present and wanted to testify to please come forward.

Dr. Martha Spiess, a veterinarian living in Portland, offered written testimony that she read aloud. Dr. Spiess made the following points in her testimony:

- With regards to the tendency for trade treaties to undermine government's ability to regulate tobacco as a public health measure, the testimony questioned why tobacco and alcohol continue to be treated as "ordinary commodities" in recent FTAs thereby resulting in increased use and availability;
- The CTPC is urged to explore a proposal which would exempt alcohol and tobacco from future FTAs; and
- The CTPC is also urged to explore any commitments that the USTR has made regarding Distribution Services as it pertains alcohol and tobacco.

Dr. Spiess's written testimony also included a copy of a paper titled "Trading Away health: The Influence of Trade Policy on Youth Tobacco Control" by Sohil Sud, Joseph Brenner and Ellen Shaffer.

Presentation by Sharon Anglin Treat, CTPC member

Next, CTPC member Sharon Anglin Treat made a presentation regarding a recent paper she wrote for the Center for International Environmental Law. This paper entitled Preempting the Public Interest: How TTIP will limit US States' Public Health and Environmental Protections makes the following points:

- As currently constructed, the TTIP includes a proposed chapter on Regulatory Cooperation (RC) which threatens the autonomy of all levels of sovereign government and would significantly change the manner and extent to which environmental laws are developed and adopted;
- The intention of the RC chapter is to reduce the cost of doing business by:
 - Minimizing regulation;
 - Promoting the convergence of regulatory standards; and
 - Defaulting to international standards largely influenced by international corporations.
- Achieving the goals of the RC chapter depend on the prevention of the adoption of local and state laws which exceed the scope of federal legislation;
- Large international corporations have supported the adoption of the RC chapter as means of circumventing numerous state and local laws which go beyond federal regulatory requirements;
- The RC chapter would require the review of proposed state and local laws and regulations before they are formally introduced in the legislative process;
- The review proposed by the RC chapter would focus on a criteria of “least trade restrictive” and would effectively impede the adoption of most environmental and public health laws;
- The proposed RC chapter would apply to proposed laws and regulations on the state and local level;
- The actual text of the RC chapter has not yet been released so its precise effect on proposed legislation and regulations cannot be accurately determined;
- The US Constitution provides states with a “wide latitude” to protect the public health and welfare;
- In particular, the RC chapter has the potential to nullify existing state regulations which limits the use of toxic chemicals; and
- Under the RC chapter concept, the federal government will have an unprecedented role in evaluating and passing judgment on proposed state and local environmental laws and regulations.

Phone Presentation and Discussion with Michael Sinacore, Legislative Assistant (trade matters) for US Congressman Bruce Poliquin

The commission next listened to a brief speaker phone presentation from Michael Sinacore, Legislative Assistant (trade matters) for US Congressman Bruce Poliquin. In his presentation, Mr. Sinacore made the following points:

- Mr. Sinacore relayed Congressman Poliquin's intent to be as responsive as possible to international trade topics and to establish open lines of communication with the CTPC;
- Mr. Sinacore emphasized 2 main points that he wanted to bring to the commission's attention:
 - First, the Congress did pass Trade Promotion Authority (TPA) without Congressman Poliquin's support. His objection was centered around his intention that Maine have the best possible jobs environment and that making it easier for the President to ratify a FTA would have negative consequences for the state of Maine;
 - Second, the other prominent issue is the proposed adoption of the TPP which at this point, based on rumors circulating in Washington DC, may not be going forward.
- Mr. Sinacore then cited the recent case involving Madison Paper in which 2 Canadian paper companies that receive substantial government subsidies and thus unfairly compete with Madison Paper. Congressman Poliquin has raised this issue with various international trade bodies. As a result, the International Trade Commission is reportedly imposing double trade tariffs on the paper products produced by the Canadian mills;

Mr. Sinacore next responded to various questions posed by commission members and staff:

- In response to several questions from CTPC member Sharon A. Treat regarding the TPP, Mr. Sinacore responded that footwear tariffs in the TPP are likely to be a step-down process in which the existing tariffs are gradually lowered over a 12 to 14 year time period and finally eliminated. He also mentioned a more recent proposal which would result in a more sudden and immediate drop-down of tariffs. This issue remains a primary focus of interest for Congressman Poliquin. In addition, with regards to how the TPP may affect drug prices, Mr. Sinacore welcomed the commission to share any of its written materials on this subject. Mr. Sinacore also commented on the importance of the sovereignty issue with regards to the country of origin labeling issue;
- CTPC member Christy Daggett asked Mr. Sinacore about the need to address the issue of the improving US economy and the possibility that low wage countries like Brazil and China that may target our domestic paper production through the use of currency manipulation. Mr. Sinacore responded that the topic of currency manipulation is of great concern to Congressman Poliquin. Mr. Sinacore also stated that the proposals within the TPP on the topic of currency manipulation were not strong enough and that if necessary, he plans to go before the International Trade Commission and ask for appropriate relief; and

- CTPC staff person Lock Kiermaier asked about Congressman Poliquin's position regarding the inclusion of ISDS in FTAs. Mr. Sinacore responded that it is the Congressman's intention to insure that treaty violations are fairly and properly addressed. He cited the country of origin labeling issue with regards to meat products and the right of citizens to exercise their preference in what products are actually available to purchase. Mr. Sinacore emphasized the need to have trade rules which recognize current federal regulations and requirements and are not subject to legal challenge from international corporations or foreign governments under the terms of an FTA. In addition, in response to Mr. Kiermaier's report of an alternative means of dispute resolution that had just been proposed by the EU, Mr. Sinacore welcomed the opportunity to review any such proposal.

Articles of interest (Lock Kiermaier, Staff)

Next, CTPC staff person Lock Kiermaier briefly reviewed a summary of 16 articles pertaining to some aspect of free trade agreements. The written summary and copies of the articles in their entirety can be viewed at the CTPC website:

<http://legislature.maine.gov/legis/opla/ctpcmtgmats080615.pdf>

Adjournment

The meeting was adjourned at approximately 3 PM.